

To: Stephen Twyerould[stwyerould@excelsiormining.com]
Cc: Rumrill, Nancy[Rumrill.Nancy@epa.gov]; Rebecca Sawyer[rsawyer@excelsiormining.com]; Trevor Baggione (baggione.trevor@azdeq.gov)[baggione.trevor@azdeq.gov]
From: Albright, David
Sent: Wed 8/2/2017 11:53:01 PM
Subject: RE: Gunnison UIC

Hi Stephen,

I was able to talk this through with Nancy, and I think there was a misunderstanding. With respect to one particular issue (electrical conductivity measurement), EPA is still considering how to respond to Excelsior's proposal in drafting the UIC permit. In this limited context, it was mentioned by our contractor that an approach similar to what EPA required of Florence Copper would be preferred. EPA is definitely not trying to align the entire Gunnison permit with the permit issued to FCI.

With respect to alignment of the Gunnison APP and the Gunnison UIC permit, that is something we are interested in doing as best as possible. To that end, we are scheduled to talk with ADEQ staff later this week regarding the minor differences that currently exist between the two permits so as to better understand these differences. Our internal review of the preliminary draft UIC permit, including necessary legal review, continues and I expect to send you and ADEQ a draft the week of Aug 14th.

Please don't hesitate to contact me if you have any questions or concerns.

Regards,

David

From: Stephen Twyerould [mailto:stwyerould@excelsiormining.com]
Sent: Tuesday, August 01, 2017 11:36 AM
To: Albright, David <Albright.David@epa.gov>
Cc: Rumrill, Nancy <Rumrill.Nancy@epa.gov>; Rebecca Sawyer <rsawyer@excelsiormining.com>; Trevor Baggione (baggione.trevor@azdeq.gov) <baggione.trevor@azdeq.gov>
Subject: RE: Gunnison UIC

Hi David,

Thanks for your prompt reply and I appreciate you looking into it. It may be that we simply miss-understood Jim's remarks.

Regards,

Stephen Twyerould

President & CEO



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From: Albright, David [<mailto:Albright.David@epa.gov>]

Sent: Monday, July 31, 2017 6:47 PM

To: Stephen Twyerould <stwyerould@excelsiormining.com>

Cc: Rumrill, Nancy <Rumrill.Nancy@epa.gov>; Rebecca Sawyer <rsawyer@excelsiormining.com>; Trevor Baggione (baggiore.trevor@azdeq.gov) <baggiore.trevor@azdeq.gov>
Subject: Re: Gunnison UIC

Hi Stephen, thanks for the note. I have to say that this does not comport with the many conversations we've had regarding the Gunnison UIC permit. As I was not on the call, I will have to speak with Nancy tomorrow and I will get back in touch with you.

Thanks,

David

Sent from my iPhone

On Jul 31, 2017, at 4:55 PM, Stephen Twyerould <stwyerould@excelsiormining.com> wrote:

Hi Nancy;

Thanks for getting the EPA's / Jim's comments to us in advance of last Thursdays meeting. It enabled a productive session with clarification on a number of topics.

Of concern however was Jim's (and/or EPA's) opinion that the Gunnison UIC permit should be aligned with the Florence Copper UIC permit. This was alarming, new, information for Excelsior.

From the beginning of the permitting process, we discussed with EPA and ADEQ the importance of consistency and alignment between the Gunnison APP and UIC permits. All seemed to agree that because the two permits regulate similar aspects of the Gunnison project, consistency of permitting requirements avoids increasing the likelihood of conflict and confusion for compliance. We also agreed that permits should be site and project specific, so the apparent desire for alignment with Florence, a distinctly different hydrogeological site, and entirely different mining project, is a concern.

Excelsior designed and presented its UIC and APP applications to be consistent with each other. This only makes sense as they are regulating the same mining project with the same

geological and hydrological conditions, with much overlap in protective controls. For 18 months Excelsior has been working with both agencies, including participating in joint-agency calls and meetings, for the express purpose of ensuring consistency between the permits.

The public comment period for the draft final APP will conclude this week and we anticipate having an issued APP by the end of August. The EPA's apparent desire to now align the Gunnison UIC with the Florence UIC will likely create large inconsistencies with Excelsior's soon-to-be issued APP and the pending UIC. Our joint meetings and the processes of the past 18 months have been largely designed to avoid this situation. We sincerely hope that Jim was mistaken in his comments regarding the EPA's goal to align the Gunnison UIC with the Florence UIC, which would be at the detriment to consistency with the Gunnison APP.

We look forward to resolving this issue at your earliest convenience.

Regards,

Stephen Twyerould

President & CEO

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